



TECHNET
THE VOICE OF THE
INNOVATION ECONOMY

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March 15, 2019

Sen. Mae Flexer, Chair
Rep. Daniel Fox, Chair
Joint Committee on Government Administration and Elections
Connecticut General Assembly
Legislative Office Building, Room 2200
Hartford, CT 06106

Re: SB 1043 and HB 7329- An Act Concerning Dark Money

Dear Chairs Flexer and Fox and members of the Committee:

TechNet is the national, bipartisan network of over 84 technology companies that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50 state level. TechNet's diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents more than three million employees in the fields of information technology, e-commerce, clean energy, gig and sharing economy, venture capital, and finance. TechNet is committed to advancing the public policies and private sector initiatives that make the U.S. the most innovative country in the world.

TechNet respectfully submits this letter in opposition to SB 1043 and HB 7329. We agree that people should know who is paying for political ads they see on the Internet. To that end, we support updating current political disclosure laws to require online advertisers to make appropriate disclosures in political ads, requiring online ad platforms to maintain a record of the contents of marked political ads and other relevant information, like the audience they reached and how much money was spent, and requiring online platforms to establish clear channels of communication so state regulators can quickly notify them when illegal political ads are running.

That said, as currently drafted, these bills raise serious concerns for our membership. As the definition of what constitutes a political ad varies from state to state and from race to race, only state regulators and advertisers themselves can determine what ads are political. It would be impossible for platforms to determine what is a political ad in each jurisdiction. Advertisers should have an obligation to notify the ad platform that the ad is political and the ad platform should be permitted to rely on the notification or lack thereof.

The definition of “qualified political ad” ties the definition to an “expenditure” under current Connecticut law and its also problematic for TechNet members. The definition means it covers not only ads that refer to candidates, but also any purchase “for the purpose of influencing” the nomination/election/success or defeat of any referendum. That is overly broad and would be virtually impossible to enforce for an online platform.

The definition of “online platform” fails to take into account the complexity of the online advertising industry. It should limit reporting to those “directly” selling online advertising, and as in California’s recent law in this area, ensure that a public-facing Internet Web site, web application, or digital application is not an online platform to the extent that it displays advertisements that are sold directly to advertisers through another online platform. It would be difficult if not impossible for such websites to know what advertisements are shown on their websites and therefore comply with the requirements of this bill.

These bills would also require platforms to make public all “requests” to run these covered ads. This would be an overly burdensome ask. A more feasible and practical approach would be to limit to disclosure to the ads that actually run online.

Finally, we believe the elements of the public database should be adjusted to require public disclosure of information that is appropriate for publication, but not extraneous information that is also tantamount to competitive business information. Some of the information required for the registry would create enormous compliance challenges, including target and cost information. Additionally, reporting of personal information (address, phone number, etc.) would be problematic for personal privacy, physical security, and cybersecurity/doxing reasons.

The compliance challenges we raise above are quite real. Many online platforms and systems are therefore likely to ban all political advertisements from their systems, as has been the case in other states like Washington and Maryland where provisions were too broad and complicated to comply with. This defacto limitation on political speech is not the intended result.

For these reasons, TechNet respectfully opposes SB 1043 and HB 7329. We thank you in advance for your consideration. Please do not hesitate to reach out with any questions.

Sincerely,

/s/

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